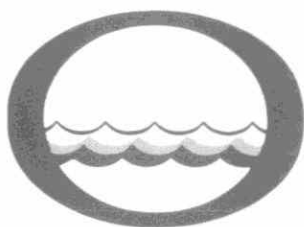


Water management in Ontario



Ontario Water Resources Commission

Provincial
Assistance
to
Small Municipalities
for
Water & Sewage
Projects

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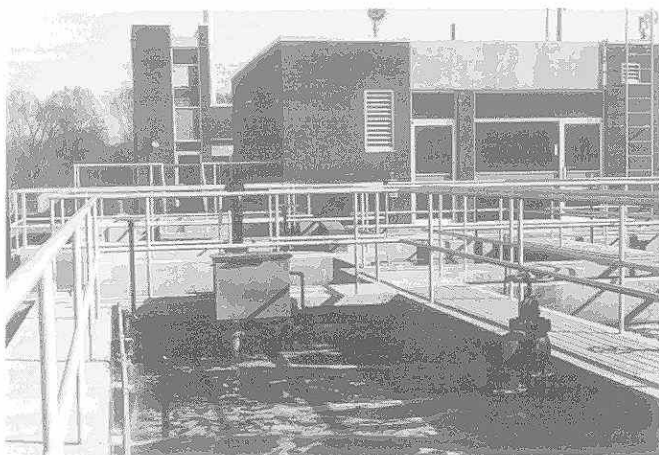
INTRODUCTION

The Government of Ontario announced in October, 1969, approval of a new policy to grant financial assistance to small municipalities, thereby making it possible to construct essential water and sewage works wherever needed in the province. The formula which has been developed applies so that costs will be within the financial capacity of the community.

The Ontario Water Resources Commission reviewed certain problems of constructing essential works in small municipalities with the government and was asked to prepare a formula to provide needed financial assistance. A number of water and sewage projects could not be constructed because the cost of the project would cause high individual home charges in some municipalities under 3,000 people.

Previously, projects constructed by OWRC on behalf of a municipality had to be fully repaid to the government with the exception of certain forgiveness features available through the Central Mortgage and Housing Corporation. Several advantages accrue to a municipality when entering into an agreement with the Commission, such as reducing financing costs and supervision of all aspects of the project by trained staff without the associated costs being charged back to the municipality. However, the municipality must have the financial base to carry the rates which completely repay the project over a period of years.

Municipalities with populations over 5,000 persons normally have sufficient participants and adequate assessment to carry the cost of sewage and water works but in smaller communities the costs of such works may be beyond their repayment abilities with the result that essential sewage and water works cannot be constructed.



Aeration tanks at a water pollution control centre.

The New Policy

An analysis of those projects already in operation and those which were being held from further development indicated that when the average annual water and sewage charges exceeded \$100.00 and \$120.00, respectively, many communities could not complete the project.

The government realized that the protection of public health and the control of pollution made these works essential. Ontario, therefore, announced a policy of assistance grants to assume costs in excess of \$120.00 per year for sewage and \$100.00 per year for water. A maximum limit to the assistance was placed at 50 per-cent of the gross capital costs of the municipal system and applies when OWRC constructs the works as a provincial project.

Steps To Be Taken

If householders in a municipality are experiencing water or sewage problems, the local council should be advised. If the community is not incorporated, citizens may bring the matter to the attention of the local health authorities or township officials who could then place the matter before OWRC. Studies will be conducted by the Commission to determine the cause of the problem and a possible solution.

If it is determined that the municipality requires water or sewage works, and municipal officials by resolution ask OWRC to commence engineering studies, preliminary engineering estimates of the costs of such work and the design requirements will be made and presented to the council.

Under the new policy there is an assurance that the cost per householder will be reasonable if the works are required. In some cases, individual wells and septic tanks will continue to be all that is necessary, while in other cases, well contamination or septic tank problems can only be resolved by central servicing. The Province will grant assistance up to 50 per-cent of the total capital cost of the works, and in the majority of cases this is all that is required to make the project economically feasible to the homeowner.



Filter basins at a water treatment centre.

Summary

Provincial assistance for high cost water and sewage projects in small municipalities assures the provision of adequate works everywhere in the Province. Each situation will be examined separately and a full report given to the elected representatives of the municipality, which in turn can be placed before the residents. OWRC has approximately 150 projects under development which could qualify for such assistance. The implementation of the new financial policy is restricted to new projects in existing communities and does not apply to extensions of existing systems.

A Typical Example

Problem—septic tanks not working, sewage in ditches, 1,000 people affected.

At the request of the municipality, OWRC develops a sewage works system which can be constructed for an estimated cost of \$550,000. which would require an annual payment of \$195.00 per home.

The Ontario Municipal Board would not approve the project because the capital cost was beyond the financial capabilities of the municipality. A provincial grant is now available to the extent of \$253,000 which is 46 per-cent of the total capital cost, thereby reducing the average home cost to \$120.00 per year, thus making the development of the project possible.

In communities with existing water or sewage works, the analysis by OWRC has found that in every case the average cost per householder is less and sometimes substantially less than the ceiling of cost for which OWRC assistance is available to small municipalities. In other words, the program does not subsidize small municipalities below the cost of similar works in larger centres, but helps them to develop essential facilities to protect health and avoid pollution of our countryside.

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